

Message Text

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TAGS: IMDP, EAID

SUBJECT: UNDP GOVERNING COUNCIL : 21ST SESSION: AGENDA

ITEM 5- PROGRAM INDICATIVE PLANNING FIGURES FOR 1977-81- DECISION
ADOPTED.

REF: (A) USUN 299; (B) USUN 368 (C) USUN 398

1. SUMMARY: COUNCIL APPROVED DECISION ON THIS AGENDA ITEM
AFTER SEVERAL DAYS OF LONG BUT VERY USEFUL DEBATE IN INFORMAL
NEGOTIATING SESSIONS. AMBASSADOR MOYNIHAN MADE THE MAJOR U.S.
STATEMENT TO THE COUNCIL IN CONNECTION WITH THIS ITEM, EMPHAS-
IZING THE FOLLOW-UP OF THE SEVENTH SPECIAL SESSION. THE COUNCIL
DECISION ON ITEM 5, EMPHASIZING RESPONSIBLE REACTION TO THE
CURRENT FINANCIAL CRISIS, ENDORSED "IN PRINCIPLE" THE
INDIVIDUAL COUNTRY INDICATIVE PLANNING FIGURES (IPF'S) FOR
THE SECOND CYCLE FOR PLANNING PURPOSES LEAVING FINAL DECISIONS
ON IPF'S TO THE 22ND SESSION. WEO'S TOOK STRONG STAND ON
PROGRAM RESTRAINTS, INCREASING CONTRIBUTIONS, NET CONTRIBUTOR
STATUS AND GRADUATING FROM THE PROGRAM BY THE LDC'S, AND
WERE SUCCESSFUL IN MOST RESPECTS. END SUMMARY.

2. DEPUTY ADMINISTRATOR PATEL INTRODUCED THIS AGENDA ITEM ON
JANUARY 22. IN SUPPLEMENTING DP/166 AND ADDENDUM, HE FELT
IT HAD BEEN EXPRESSED INTENTION OF COUNCIL TO TAKE
DECISIONS ON RESOURCES AND IPF'S FOR THE SECOND CYCLE AT
PRESENT SESSION. HE REITERATED THE STATEMENT IN THE
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DOCUMENT-THAT RESOURCES CORRESPONDING TO A 15 PERCENT
PER ANNUM "INCREASE IN VOLUNTARY CONTRIBUTIONS MAY BE

ASSUMED" FOR PLANNING PURPOSES, FOR THE SECOND CYCLE.

3. PLENARY DISCUSSIONS ON AGENDA ITEM 5 CONTINUED FROM JANUARY 22-27. DISCUSSIONS CENTERED AROUND GRAVITY OF UNDP'S FINANCIAL SITUATION, NEED FOR INCREASED RESOURCES, FOR ECONOMICAL USE OF THOSE RESOURCES, AND FOR CONSIDERATION OF SPECIAL NEEDS INCLUDING THOSE OF LEAST DEVELOPED AND NEWLY INDEPENDENT COUNTRIES. A NUMBER OF COUNTRIES ALSO STRESSED IMPORTANCE OF EXPANIND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES. ALTHOUGH MOST COUNTRIES FOCUSED THEIR COMMENT ON DP/166, A NUMBER ALSO DEALT WITH DP/146, EXPRESSING SUPPORT FOR THE ADMINISTRATOR'S REQUEST FOR CONTINUED AUTHORITY FROM THE COUNCIL TO APPROVE PROJECTS.

4. THE FEDERAL REPUBLIC OF GERMANY AND SEVERAL OTHER DONOR COUNTRIES POINTED OUT THAT ALTHOUGH THEY MIGHT JOIN IN A CONSENSUS APPROVING SOME OVERALL RATE OF GROWTH, THEY WERE NOT IN A POSITION TO COMMIT THEMSELVES TO ANY FIXED RATE OF INCREASE IN THEIR OWN FUTURE CONTRIBUTIONS. THE ASSUMED GROWTH RATES COULD BE TAKEN ONLY AS TENTATIVE FIGURES. LDC'S STRESSED THE NEED FOR COUNCIL TO TAKE A DECISION ON QUESTION OF PROGRAM RESOURCES AND INDICATIVE PLANNING FIGURES (IPF'S) FOR 1977-81 BEFORE THE END OF THE PRESENT SESSION TO FACILITATE PROGRAM PLANNING FOR THE SECOND CYCLE. HOWEVER, OTHERS SUGGESTED THAT THE DECISION ON IPF'S MIGHT BETTER BE POSTPONED UNTIL THE NEXT COUNCIL SESSION WHEN THE RESOURCES POSITION WAS MORE CLEAR. THERE WERE NUMEROUS ENJOINDERS OF CAREFUL PLANNING SO THAT TOTAL ANNUAL EXPENDITURES WOULD NOT EXCEED AVAILABLE RESOURCES.

5. A NUMBER OF DEVELOPING COUNTRIES EXPRESSED THEIR CONCERN REGARDING CUTBACKS IN PROGRAM IMPLEMENTATION, AND EXPRESSED DISSATISFACTION WITH CRITERIA USED IN CALCULATING THEIR IPF'S FOR THE SECOND CYCLE. IT WAS URGED THAT COUNTRIES AT UPPER END OF PER CAPITA GNP SCALE FOREGO THEIR IPF'S OR BECOME SUBSTANTIAL NET CONTRIBUTORS.

6. THE USDEL (AMB MOYNIHAN) SPOKE UNDER AGENDA ITEM 5 ON JANUARY 27, RANGING IDELY OVER MAJOR PROGRESS ON SEVENTH LIMITED OFFICIAL USE
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SPECIAL SESSION INITIATIVES INCLUDING SOLID USG SUPPORT FOR THESE INITIATIVES. TEXT OF MOYNIHAN SPEECH FORWARDED IN A REFTEL A. IN REFERENCE TO ITEM 5, AMB MOYNIHAN RECALLED THAT IT HAS TAKEN THREE YEARS OF INTENSIVE COUNCIL EFFORT TO REACH DECISIONS ON CRITERIA, METHODOLOGY AND OVERALL PRIORITIES GOVERNING PROPOSED ALLOCATION OF UNDP RESOURCES DURING NEXT FIVE YEARS. SINCE LDC GOVERNMENTS NEED SOME IMMEDIATE GUIDANCE ON RELATIVE PORTION TO BE ALLOCATED TO THEM IN NEXT CYCLE, US PROPOSED THAT THE MOST CONSERVATIVE SET OF COUNTRY IPF CALCULATIONS BE APPROVED, IN PRINCIPLE, AT THIS SESSION

WITH FINAL APPROVAL LEFT TO ENSUING COUNCILS.

7. AN OPEN ENDED NEGOTIATING GROUP WAS THEN FORMED AFTERNOON OF JANUARY 27, THIRD VICE-PRESIDENT ANTONI CZARKOWSKI (POLAND) WAS IN THE CHAIR LEADING THE GROUP IN PREPARING FINAL DRAFT DECISION. AGREEMENT FINALLY REACHED ON DRAFT DECISION, WHICH WAS APPROVED BY COUNCIL FEBRUARY 3(DECISION FORWARDED SEPTEL).

8. FUNDAMENTAL ISSUE BEFORE NEGOTIATING GROUP WAS DECISION ON COUNTRY IPF LEVELS. WITH STRONG LEADERSHIP OF US AND OTHER WEO'S GROUP RECOMMENDED CONSERVATIVE IPF SERIES IN DP/166, ADD.1. THIS SET OF IPF'S PRESUMES 14 PERCENT GROWTH IN RESOURCES. HOWEVER WITH LIKELY REDUCTION IN PROPOSED OPERATIONAL RESERVE BELOW THE \$400 MILLION LEVEL (RECOMMENDED BY ADMINISTRATOR), AND FURTHER REDUCATION IN 13.77 PERCENT PROGRAM AND ADMINISTRATIVE SUPPORT CATEGORY, ACTUAL ANNUAL GROWTH RATE OF RESOURCES REQUIRED TO FINANCE THIS LEVEL OF IPF'S SHOULD BE JUST ABOVE 11 PERCENT.

9. IN NEGOTIATING GROUP EFFORT WAS MADE TO AGREE UPON MOST CONSERVATIVE COUNTRY IPF, REGUINAL IPF AND GLOBAL IPF FIGURES, AS WELL AS THE MOST CONSERVATIVE ESTIMATES FOR THE PROGRAM RESERVE AND THE SPECIAL INDUSTRIAL SERVICES (SIS). ONCE AGREEMENT WAS REACHED HERE NEGOTIATING GROUP TURNED ITS ATTENTION TO RESOURCES REQUIREMENTS FOR THE SECOND CYCLE. THE US AGREED TO A TARGET FOR THE OVERALL ANNUAL INCREASE IN VOLUNTARY CONTRIBUTION OF 15 PERCENT, BUT REQUESTED INCLUSION OF THE PHRASE "EACH NATION DETERMINING ITS OWN CONTRIBUTION IN RELATION TO ITS CAPACITIES AND OTHER COMMITMENTS.".

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10. IN EFFORT TO SHIFT COUNTRIES AT THE UPPER AND OTHER PER CAPITA GNP SCALE INTO THE CATEGORY OF NET CONTRIBUTORS AS EARLY AS POSSIBLE, PARAGRAPH 14 WAS INCLUDED IN THE DRAFT DECISION. PARAGRAPH 15 BY IMPLICATION CALLS UPON THE MORE WEALTHY COUNTRIES THAT ARE ALREADY NET TO "CONSIDER ADDITIONAL CONTRIBUTIONS AND OR SUPPORT FOR UNDP THROUGH A VARIETY OF MEANS OPEN TO THEM." UPON REACHING AGREEMENT ON THIS COMPROMISE LANGUAGE THE US STATED TO THE NEGOTIATING GROUP THAT A "VARIETY OF MEANS" INCLUDED THE POSSIBILITY OF FOREGOING ALL OR A PART OF A COUNTRY'S IPF AS WELL AS THE POSSIBILITY OF MAKING CONTRIBUTIONS OF TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES PROGRAM FROM IPF RESOURCES.

11. PARA 11 WITH RESPECT TO ASSISTANCE TO LIBERATION MOVEMENTS IS SUBJECT OF REFTELS B AND C.

12. COMMENT: WITH VERY ACTIVE PARTICIPATION BY U.S.,
SWEDEN, FRG, NETHERLANDS AND CANADA, DELEGATION OF
OPINION THAT A RESPONSIBLE AND BALANCED DECISION WAS
ACHIEVED. WE BELIEVE THAT LDC'S MORE AWARE NOW THAT
PROGRAM COMMITMENTS MUST NOT BE ALLOWED AGAIN TO RUND AHEAD
OF AVAILABLE RESOURCES.
MOYNIHAN

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